

Message Text

UNCLASSIFIED

PAGE 01 LIMA 09633 041142Z

ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-05

CEA-01 L-03 H-02 PA-02 PRS-01 IGA-02 FEA-01

ABF-01 FSE-00 PER-05 /112 W

-----042018 050902Z /17

R 031953Z NOV 77

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 7368

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

UNCLAS LIMA 9633

EO 11652: N/A

TAGS: ECON, EFIN, PE

SUBJ: EXCHANGE RATE PERFORMANCE

REF: LIMA 9123

1. UNDER THE NEW UNIFIED MARKET FOR FOREIGN EXCHANGE TRANSACTIONS EL PERUANO (THE OFFICIAL GAZETTE) PUBLISHED THE AVERAGE OF THE PERUVIAN BANKS DAILY CLOSING RATES FOR EACH DAY OF OPERATIONS. THIS RATE IS BASED ON ARTICLE 4 OF DECREE LAW 21,593 WHICH STATES: "THE CENTRAL RESERVE BANK OF PERU SHALL HAVE A PREFERENTIAL RIGHT TO BUY FOREIGN EXCHANGE FOR THE FULFILLMENT OF ITS FUNCTIONS, PAYING IN NATIONAL CURRENCY THE AVERAGE NET BUYING RATE REGISTERED BY THE SUPERINTENDENCY OF BANKING AND INSURANCE AT THE CLOSE OF OPERATIONS OF THE PREVIOUS DAY." IN ADDITION ARTICLE 7 OF EXCHANGE RESOLUTION 001/77-EF-90 STATES, "THE BANKS OF PERU SHOULD LEVEL THEIR FOREIGN EXCHANGE POSITIONS, INFORMING DAILY AT THE CLOSE, THEIR OPERATIONS OF PURCHASE AND SALE DIRECTLY TO THE

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CENTRAL RESERVE BANK OF PERU AND SHOULD SELL THE EXCESS PURCHASE IN FOREIGN EXCHANGE AT THE RATE OF EXCHANGE ESTABLISHED BY ARTICLE 4 OF D.L. 21,953."

2. THE EXCHANGE RATES PUBLISHED IN THE PERUANO FOR EACH PREVIOUS DAY DO NOT, IN OUR OPINION, NECESSARILY COINCIDE WITH THE AVERAGE BUYING AND SELLING RATES FOR EACH DAY BUT ONLY WITH AN AVERAGE

OF THE BUYING AND SELLING RATES LAST REGISTERED BY BANKS IN THEIR DAILY OPERATIONS. THIS SIGNIFIES THAT THE POSTED RATES ARE NOT NECESSARILY IDENTICAL WITH THE EFFECTIVE RATES FOR THE BULK OF TRANSACTIONS WHICH OCCURRED DURING THE REFERENCED DAY.

3. APART FROM THE OBVIOUS LIMITATIONS APPLYING TO THE DAILY CLOSING RATES FOR ACCOUNTING TRANSACTIONS, THESE RATES DO REFLECT MARKET TENDENCIES OVER LONGER PERIODS OF TIME. MOREOVER EFFECTIVE RATES MAY NOT DIFFER WIDELY FROM THE DAILY CLOSING RATES, BUT HOW WIDE IS A QUESTION THAT CAN BE RESOLVED ONLY BY FURTHER RESEARCH. IN ANY EVENT, THE TENDENCY FOR U.S. DOLLAR RATE DURING THE PAST THREE WEEKS HAS BEEN IN AN UPWARD DIRECTION. THE UPWARD TENDENCY DURING THE FIRST WEEK WAS MILD, DURING THE SECOND WEEK IT WAS MORE PRONOUNCED AND DURING THE THIRD WEEK IT WAS QUITE STRONG.

4. DAILY CLOSING RATES FOR THE PERIOD OCTOBER 11 TO OCTOBER 31 ARE AS FOLLOWS FOR PURCHASE AND SALE OF FOREIGN EXCHANGE DENOMINATED IN U.S. DOLLARS:

EXCHANGE RATE
OCTOBER 1977

DATE	PURCHASE	SALE
OCTOBER 7	80.88	80.88

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" 11	81.91	82.45
" 12	82.07	82.50
" 13	82.44	82.63
" 14	83.06	83.73
" 17	84.18	84.74
" 18	84.28	84.86
" 19	85.50	86.27
" 20	86.96	87.55
" 21	87.67	88.42
" 24	88.59	89.17
" 25	89.39	90.13
" 26	92.60	93.77
" 27	96.00	97.21
" 28	98.24	99.33
" 31	101.19	103.05

SHLAUDEMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, FOREIGN EXCHANGE RATES
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LIMA09633
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770408-0514
Format: TEL
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197711101/aaaadifx.tel
Line Count: 110
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Message ID: 365fae0d-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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Retention: 0
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Review Content Flags:
Review Date: 02-Feb-2005 12:00:00 am
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Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 389511
Secure: OPEN
Status: NATIVE
Subject: EXCHANGE RATE PERFORMANCE
TAGS: ECON, EFIN, PE
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/365fae0d-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
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22 May 2009
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